

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
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M E M O R A N D U M

TO: All Retirement Boards

FROM: Joseph I. Martin, Deputy Executive Director

RE: PERAC Tobacco Company List

DATE: July 29, 1998

On October 22, 1997 PERAC MEMO #37/1997 informed you of the adoption of Chapter 119 of the Acts of 1997. That statute prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. On December 18, 1997 PERAC sent Memo #48 regarding the implementation of Chapter 119 and the first PERAC Tobacco Company List.

Enclosed please find a list of additions and deletions to the PERAC Tobacco Company List dated January 13, 1998. These revisions are effective upon receipt by the retirement boards. After that, no new investments may be made in stocks, securities, or other obligations of these companies. Please forward it to your investment advisors or inform them that this list is available on the PERAC Home Page. PERAC will update this list on a quarterly basis and send each board a list of additions and deletions. On an annual basis, PERAC will send a revised list to each board.

As part of its audit process, PERAC will assess the portfolio of each board to determine compliance. That review will determine if the board, after January 13, 1997, has purchased stock, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. In the event a portfolio is not in compliance, the board must bring the portfolio into compliance by divesting in a prudent manner. Prior to taking any action, the board shall consult with PERAC.

In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool as the board is purchasing shares in the pool not the individual holdings of the pool. Thus a pooled fund, if in violation of this standard, will be included on the PERAC List.

If you have any questions, please call Robert Shaw, Director of the Pension Investment Advisory Unit at 617-666-4446 ext. 922.

PERAC TOBACCO COMPANY LIST
ADDITIONS/DELETIONS
JULY 15, 1998

Pursuant to Chapter 119 of the Acts of 1997, the following is a list of companies that have been added to and/or deleted from the PERAC Tobacco Company List dated January 13, 1998. These revisions are effective upon receipt by the retirement boards. After that, no new investments may be made in stocks, securities, or other obligations of these companies. PERAC will update this list on a quarterly basis and on an annual basis, PERAC will make available a revised Tobacco Company List. In accordance with the policy adopted by the Public Employee Retirement Administration Commission, so called pooled funds (e.g. mutual funds, commingled funds, group trusts, real estate funds, limited partnerships, and venture capital investments) will be included on this list if 15% or more of the revenue generated by companies in the fund is derived from the sale of tobacco products.

ADDITIONS

COMPANY

COUNTRY

AMCON Distributing Company
Dominican Cigar Corporation
Grand Havana Enterprises, Inc.
Loews Corporation
M&F Worldwide Corporation
Niche Resources, Inc.
Noble Brands, Inc.
North Atlantic Trading Company
Signature Brands, Inc.
Windsor Capital Corp.

United States
United States
United States
United States
United States
United States
United States
United States
United States
United States

Alpha Tobacco Manufacturing Co. Ltd.
Bangladesh Tobacco Co. Ltd.
Rothmans, Inc.
Ultimate Cigar Co.
Tvornica Duhana Rovinj
Tabak AS
Gebrueder Bernard AG
Pioneer Tobacco
Tabacalera Hondurena

Bangladesh
Bangladesh
Canada
Canada
Croatia
Czech Republic
Germany
Ghana
Honduras

ADDITIONS (cont'd)

COMPANY

Shanghai Industrial Holdings
Raghunath Tobacco
Dubek Ltd.
Jerusalem Cigarette Company Ltd.
International Tobacco & Cigarette Company Ltd.
Jordan Tobacco & Cigarette Co. Ltd.
Union Tobacco
Grupo Carso SA
Khyber Tobacco Company Ltd.
Sarhad Cigarette Industries Ltd.
Souvenir Tobacco Company Ltd.
Tobacco International Limited
Cotapo Empreendimentos Comerciais e Industriais
B.A.T. Singapore Ltd.
British American Tobacco Holdings (South Africa) Ltd.
Ceylon Tobacco Co. Ltd.
C.A. Tabacalera Nacional (CATANA)
T.S.L. Limited

COUNTRY

Hong Kong
India
Israel
Israel
Jordan
Jordan
Jordan
Mexico
Pakistan
Pakistan
Pakistan
Pakistan
Portugal
Singapore
South Africa
Sri Lanka
Venezuela
Zimbabwe

DELETIONS

COMPANY

Mafco Consolidated Group Inc.
Scottsdale Cigar Company

Skandinavisk Tobakskompagni A/S
Bollere Technologies
Erindania Beghin-Say, SA
Empresas la Moderna, SA de CV
Utico Holdings Ltd.

COUNTRY

United States
United States

Denmark
France
France
Mexico
South Africa